

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Ace Pump Corp.

Tennessee Manufacturing Extension Partnership

Ace Pump Corporation Takes Precautions That Yield Sales Increases

Client Profile:

Ace Pump Corporation is a manufacturer of pumps used mainly in agricultural applications. The company is privately held and employs approximately 60 people. This manufacturing facility is located in Memphis, Tennessee, on President's Island. Ace Pump's typical annual sales are \$10 to \$20 million.

Situation:

Ace Pump contacted the Tennessee Manufacturing Extension Partnership (TMEP), a NIST MEP network affiliate, for assistance in several areas. First, the company wanted to evaluate overhead allocation and appropriate workplace labor. The company also requested assistance in understanding the chemical make-up of herbicides and pesticides to determine their impact on the materials used in the manufacturing of new pumps. Ace Pump wanted to both reduce costs on items currently in production, and--through a lean implementation program--add new product capacity within the existing facilities.

Solution:

TMEP reviewed the company's current accounting allocations and provided specific recommendations for changes to determine the true cost of products. TMEP also arranged for Dr. George Frazier, a faculty member of The University of Tennessee - Knoxville, to test the chemicals in the herbicides and pesticides and determine how these chemicals impact Ace's new pump designs and materials. Ace Pump used the allocation information to evaluate its true product costs and determined an adequate selling price. After learning of the effects the pesticides and herbicides have on new products and materials, the company was able to make changes and avoid disasters in the field. As a result of TMEP's assistance, Ace Pump is now the front runner in new application products for agricultural products.

Results:

Increased sales by approximately \$50,000.
Saved costs associated with chemical damage to products and materials.
Improved competitive position.

Testimonial:

,

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field